

Entrepreneurship in Jordan: Policies, Barriers and Stakeholders

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ABSTRACT

Government policies and strategies play a critical role in developing the capabilities of young entrepreneurs, particularly in the face of severe competition that necessitates new competencies and the ability to adequately address emergent difficulties. Whereas it assists and supports numerous projects by providing cash to promote entrepreneurship among young people and combat unemployment. Also, becoming an entrepreneur has some advantages for young people by deepening their human capital characteristics and capabilities, such as skill development to increase socioeconomic and personal benefits, create jobs, increase a sense of innovation, improve business competition, and respond to changing economic opportunities. Entrepreneurship, on the other hand, is a risky and difficult process with numerous hurdles and impediments to overcome when starting a business. Furthermore, a lack of vital information, essential skills, and counsel exacerbates these issues and extends them throughout the entire process of running a venture project. This paper discusses entrepreneurship as a purposeful activity and a practical application of entrepreneurial abilities. These discussions regarding these processes covered issues such as Jordanian policies and strategies that foster entrepreneurship, the barriers and challenges that entrepreneur's face, and who the stakeholders are.

Keywords: Entrepreneurship; promoting policies; opportunities; Entrepreneurship Challenge; Jordanian Entrepreneurship

1. Introduction

Youth unemployment rates in many nations are at an all-time high, with many young people in the developing world unable to find work. As a result of the 2008 financial crisis, this issue has become increasingly urgent. According to government data, around two-in-five young people in this region were unemployed, with youth unemployment in some countries exceeding 25% (Krafft & Rizk, 2021). Many young people in the Middle East are unable to find work, and the unemployment rate is the highest in the world. Furthermore, recent social and political developments in the region have contributed to a drop in economic activity and higher unemployment (Ahmed et al., 2012).

Although the population does not lack education and training, which remains limited on average, young people must have an equitable opportunity to accumulate human capital regardless of gender or socioeconomic background" (OECD, 2019). According to evidence, unemployed persons are rarely happy or healthy, and they may struggle to reintegrate into the work market. For young people, the effects of unemployment may be particularly damaging, as data showed that the rates of unemployed are more likely to have some health issues and encounter challenges in integrating into the labor sector. Furthermore, evidence suggests that a period of youth unemployment increases the chance of lower wages and unemployment later in life (Blanchflower & Oswald, 1998). Youth entrepreneurship is one of the potential approaches to integrate young people into the labor market

while also improving a young person's psychological and physical health.

Overseas Development Institute (ODI) defines youth entrepreneurial activity as the process of persons who are self-employed or have established a new firm (Olugbola, 2017). In light of too many claims about the importance of youth entrepreneurship in reducing youth unemployment and encouraging them to create solutions through entrepreneurship (Bausch et al., 2017), it has some benefits in improving their self-reliance and skills by allowing them to explore and develop their characteristics and capabilities, which also increases their happiness levels (Blanchflower & Oswald, 1998).

Generally, entrepreneurs provide a variety of benefits, including job creation, increased innovation, improved company competition, and the ability to respond to changing economic opportunities. A young individual starting their own business may provide learning opportunities and serve as a role model for others (Listerri et al., 2006). This would ultimately benefit local communities by depriving them and promoting entrepreneurship as a means of assisting vulnerable people to overcome economic isolation. As a result, the government should focus on developing empowerment programs to improve youth competencies, increase business motivation, including positive entrepreneurial behavior, and the ability to boost the growth of small and medium-sized micro businesses in the face of competition (Putra et al., 2019). Youth entrepreneurship is particularly appealing in terms of providing local solutions to economic disadvantages.

Youth entrepreneurship is particularly appealing in terms of providing local solutions to economic disadvantages. This paper research intends to identify the notion of entrepreneurship and describe the target groups as entrepreneurs, as well as provide a review of the difficulties that may face entrepreneurial work and some Jordanian tactics that encourage entrepreneurship.

2. Methods

Entrepreneurship is a deliberate activity and a practical use of enterprising abilities. These discussions regarding to entrepreneurship processes cover issues such as Jordanian policies and strategies that foster entrepreneurship, the barriers and challenges that entrepreneur's face, and who the stakeholders are.

2.1. Databases in entrepreneurship, policies and Barriers

The databases in this paper were gathered from a variety of sources, including Google Scholar, ARU Library, IEEE Explore, and ResearchGate. The search results only included works published in English and Arabic. The papers in this review mostly focus on entrepreneurship, policies, and impediments. As part of their advanced search, the author utilized the keywords entrepreneurship, boosting policies, opportunities, and entrepreneurs Process in Jordan. Table 1 uses database codes labeled P1 through P4 to represent electronic databases based on classification.

Table 1: Databases Used in Research

ID	Databases	URL
1	IEEEExplore	https://ieeexplore.ieee.org
2	ARU	https://library.aru.ac.uk
3	ResearchGate	https://www.researchgate.net
4	Google Scholar	https://scholar.google.com

2.2. Criteria for selecting the papers for review

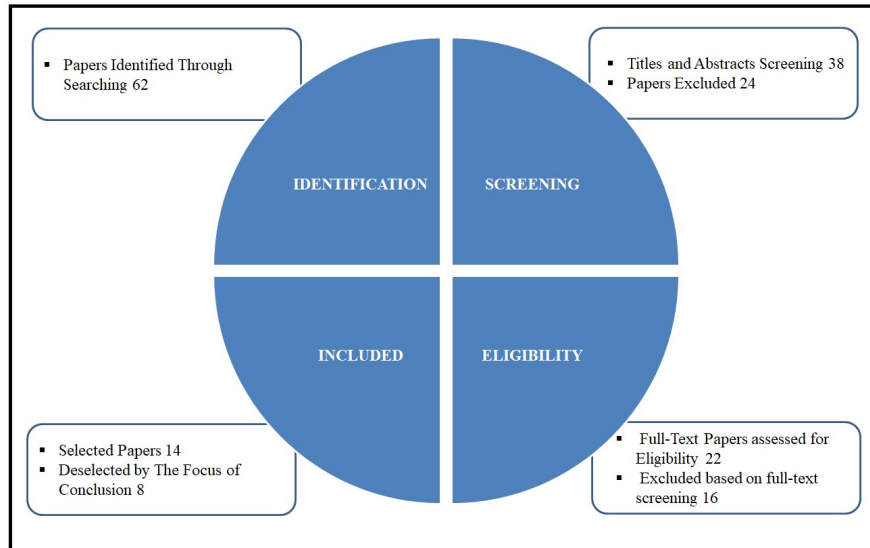
This review paper will explore the supportive policies and activities for entrepreneurship, as well as the hurdles to their implementation. Selecting the proper study take into account number of additional characteristics. The conditions used in this study are limited to (i) Describe Entrepreneurship (ii) Clarification of who are entrepreneurs (iii) Policies to promote entrepreneurship in Jordan (iv) Barriers & Challenges of Entrepreneurship (v) Stakeholders analysis (vi) Include an abstract. Figure 1 depicts the adopted paper review protocol, which includes several stages of selection criteria, such as inclusion and exclusion.

2.3. Papers excluded from the review

62 papers from previous research on Jordanian entrepreneurship, focusing on policies, programs, and barriers, are reviewed. The emphasis is on the tactics used to implement entrepreneurship in Jordan. To choose publications

and research that may be relevant, the titles, abstracts, and conclusions of the papers discovered were reviewed. Because the search phrase for Entrepreneurship was so wide, many of the publications that came up were unrelated to the review. Paper was dismissed for the following reasons:

- The publication should have stated clearly what its research purpose was.
- Several articles lack qualitative or quantitative evaluations of the mediation's eligibility.
- The publications found using the search terms were eliminated from the evaluation because they lacked an observational assessment.



For the reasons stated above, 48 of the publications, studies, and reports were eliminated. This review paper's purpose is to enlighten academic institutions and researchers for prospective studies, specifically about the tactics that might increase the Entrepreneurship process in Jordan.

3. What is Entrepreneurship?

According to (Cole, 1959): "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services."

An entrepreneurial ecosystem is the social and economic context that shapes local or regional entrepreneurship. Furthermore, this system refers to the factors, people, organizations, or institutions that help entrepreneurs succeed before and after they launch their products (Stam & Van de Ven, 2021). The entrepreneurship ecosystem can comprise several aspects known as entrepreneurship players, which can include governments, schools, universities, the private sector, family companies, investors, banks, entrepreneurs, and social actors (Jarrar, 2022). There are frequently used definitions of entrepreneurship such as "is a process of creating something new with value by devoting the necessary time and effort, assume the accompanying financial, psychical, personal and social risks, and receive the result rewards" (Hisrich et al., 2007); It is a process in which individuals become aware of a business owner as an option or feasible alternative, generate business ideas, learn the procedure to become an active entrepreneur, and conduct activities for business development (Stevenson & Jarillo, 2007). And it is the practical application of enterprising qualities like initiatives, innovation, creativity, and risk-taking in workplace environments with different forms of employment (e.g., self-employment or employment within small start-ups) by using the appropriate necessary skills for success in the business environment.

4. Who are entrepreneurs?

An entrepreneur is someone who can quickly grow a little firm into a large, well-developed project. A person cannot be labeled an entrepreneur unless he possesses a leadership style and a high level of wisdom (Al-Fawaz, 2014). Entrepreneurs are persons who value intellectual freedom, dislike working for someone else, and prefer to take risks on their own to establish their worth in a successful commercially profitable business (Al-Fawaz, 2014).

When a person owns his own project that is not subject to the command of others and allows him to secure all of his needs and achieve self-sufficiency and materialism, the entrepreneurial project can contribute to the development of other tasks and functions that may be new and unique, thereby reducing the country's unemployment problem (Jarrar, 2022).

According to previous entrepreneur definitions, a person who wishes to become an entrepreneur must possess the necessary abilities for a successful management profession, which may be inherited or taught and gained through educational programs that help young entrepreneurs. Thus, improving such abilities will encourage young people to establish a business or get a job to secure a decent level of life. However, young entrepreneurs must enter the labor market efficiently by first understanding its supply and demand ratios in order to prevent unemployment risks.

5. Policies to promote entrepreneurship in Jordan

According to Jordanian official figures, 95% of non-governmental workers are involved in these initiatives. To assist the national economy in all nations throughout the world, it has become vital to design strategies, programs, and initiatives that stimulate project support, establishment, and funding.

5.1 INJAZ

INJAZ was founded in 1999 as a project inside Save the Children's programs, with funding from USAID, and became an independent, non-profit Jordanian organization in 2001, serving a wide range of Jordanian juvenile needs. It attempts to augment traditional educational institutions' education and training by offering programs that develop the acquired personal qualities that are vital for applicants competing for employment and becoming entrepreneurs in the private sector.

Through partnerships with the public and private sectors, as well as civil society institutions, the Injaz Foundation creates and implements a variety of curricular and extracurricular programs and activities for students in schools, universities, colleges, youth centers, vocational training institutes, and private centers (NAHNO.org).

The Injaz Business Incubator is a supportive and knowledge-rich community that values complete inclusion for entrepreneurs, with a focus on women-led firms, social enterprises, and ecological projects. It offers a one-year incubation program to its members that includes a variety of business development and community outreach services, allowing them to start, run, and grow sustainable enterprises (Almubidiayn, 2022).

5.2. Umniah incubator for entrepreneurship

The first incubator to provide virtual services on the ground to create an entrepreneurial and inventive culture, it has played a critical role in promoting and sustaining new ideas and projects while maintaining its brilliance and distinctiveness from other incubators. It also offers integrated and high-quality services for developing innovative ideas and projects, facilitating entrepreneurs' access to local and global expertise specialized in the field of entrepreneurship, and meeting their needs in a way that saves them time, cost, and effort by keeping entrepreneurs and incubators fully informed of the latest global technology trends such as artificial intelligence and e-commerce (Umniah).

5.3. The Center for innovation and entrepreneurship at the University of Jordan.

The center's primary goal is to spread pioneering thought and leadership among university students by providing the necessary technical, administrative, and financial support for innovative and entrepreneurial projects in the university and local communities, as well as to support the economic empowerment of these communities so that they can make a real contribution to achieving sustainable development through collaboration and integration with the private sector. It also helps students start new technological enterprises. Where, it seeks business incubators, finance, and investment, intellectual property and technology transfer, studies, training and planning, relations, and cooperation, in addition to supporting the establishment of start-up companies, small projects, linking the commercial with the industrial and service sectors, and directing projects, regulations, and university scientific research towards meeting the needs of the economic sector and developing its competitiveness (The University of Jordan's Center for Innovation and Entrepreneurship).

5.4 Jordan entrepreneurship fund

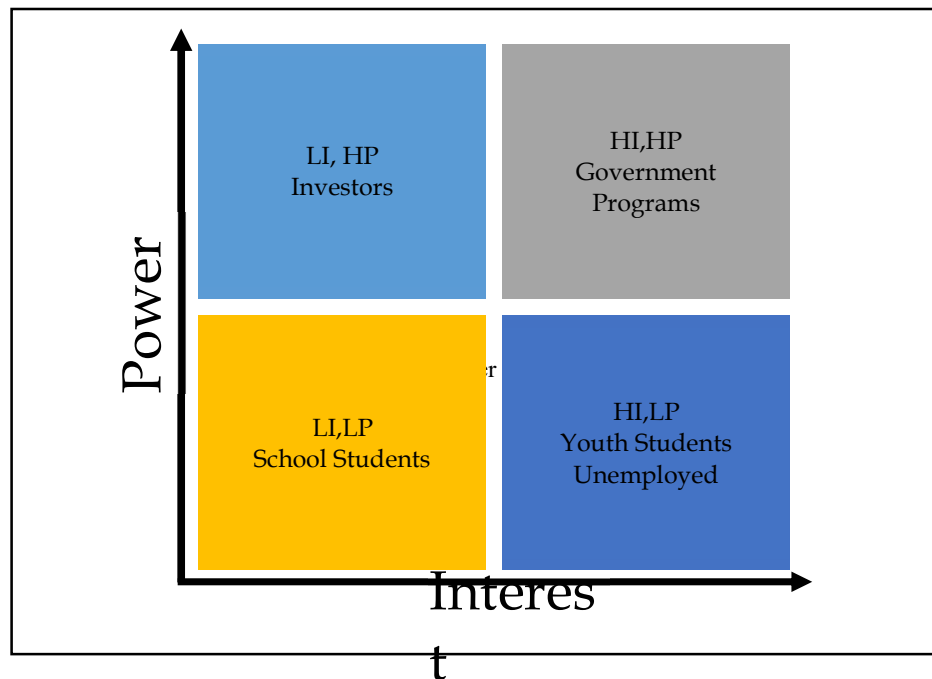
The Jordan Entrepreneurship Fund is a national project that aims to contribute to a qualitative change in local entrepreneurship by creating a suitable and stimulating environment for creative Jordanian entrepreneurs to transform their innovative projects into viable start-ups and provide job opportunities for Jordanians. It is being implemented in collaboration with the World Bank over a six-year period. As part of its incubator development initiative, Jordan business supported the "IPARC Entrepreneurship Program in Aqaba City" to boost the local business environment and promote economic growth (Zawya, 2021).

6. Barriers and challenges of entrepreneurship

Entrepreneurship, in general, is a dangerous and demanding process. Young people have realized this feature, and they have highlighted various problems and impediments to launching their firms. The literature review looked at young people's perspectives of the elements that influence their decision to establish a company. According to the findings of the empirical studies, entrepreneurs of various genders and nationalities identified a lack of funding access as the most significant obstacle and barrier to beginning a firm (Vanevenhoven, 2013). Furthermore, a lack of vital knowledge, key skills, and counsel exacerbates these issues and extends them throughout the whole process of conducting a venture project. Although young people in Jordan frequently participate in training sessions, skills training, courses, and internships are seldom offered, thus their learning and training experiences are restricted in terms of being useful for running a business (Finkle et al., 2013). The instruction was beneficial not only to their personal lives, but also to their job search and performance. Young people's training experiences have an impact on their personal lives since training programs are prevalent but may not be successful enough to provide jobs. The previously stated programs that provide entrepreneurial training reached a bigger number of young people. This is a significant investment in entrepreneurial training in collaboration with development partners such as non-governmental organisations (NGOs).

7. Stakeholders analysis

A stakeholder analysis allows you to identify the individuals engaged in the project (stakeholders) and determine the appropriate amount of contact with them based on their significant effect and interest in the project (Fig 2). The author employed a stakeholder analysis approach known as a power/interest grid.



7.1. Government

The government is a crucial actor in supporting or beginning entrepreneurship programs because it has influence over the laws and regulations that regulate program implementation and approval. As a program sponsor, you must keep them pleased and engaged to avoid being a program risk.

Furthermore, the Jordanian government is very interested in boosting young entrepreneurship and has asked for a number of policies to be implemented in Jordan's many ministries to assist the country's economy expand. However, owing to ineffective and disputed follow-up, not all obtained the stated results.

7.2. Programs and sponsors

Another important player is sponsors and program directors; they have a strong interest in maintaining their reputation throughout the productivity and efficiency of the program's outcomes, so for the overall benefit, there should be consistent cohesive feedback on a regular basis to keep them involved and satisfied; otherwise, they have the authority to cancel the project. When encouraging youth entrepreneurship policies, directors must pay close attention to the SMART goals they wish to achieve; nevertheless, not all programs in Jordan emphasize the practical factor.

7.3. Unemployed

These are the largest stakeholders in terms of number, with a strong interest but little authority. Given low wages and rising unemployment, the majority of young people seek opportunities out of necessity. To achieve economic growth, both government and private programs must address unemployment more extensively, informing them about available entrepreneurial initiatives and tracking their progress.

7.4. Investors

Investors have access to all of the financial resources that young entrepreneurs require; they wield significant power. However, their lack of interest in investing in high-risk ventures forces young entrepreneurs to persuade and convince them to take the risk by connecting with them frequently and offering a suitable project plan that reflects new inventive ideas with promising outcomes.

7.5. Students

Students are the future young entrepreneurs who should be monitored; at this point in their lives, as stakeholders, they are the crowd. As a result, they are targeted in schools to foster a healthy and hopeful future entrepreneurial environment. The promotional entrepreneurship initiatives for young students helped to reduce the high percentage of unemployment among students with high educational degrees. However, one of the most significant issues for these students is a mismatch between their educational options and market demand.

8. Related study

Numerous identical or related articles and publications cover entrepreneurship and its benefits in lowering unemployment rates, as well as the concepts and practices of entrepreneurship.

Although the definitional aspects of the entrepreneurship concept have not been settled, a consensus has been formed and developed around the idea that entrepreneurship practices should be viewed as a process that is subject to learning and change, as well as revolve around goals such as launching and organizing a project venture (Aljuwaiber, 2021). Entrepreneurial education is more than just teaching people how to run and manage a business; it is a holistic view and approach that assists individuals in empowering and developing unemployed people to be productive and creative in recognizing and exploiting existing market opportunities, thus developing economic values and contributing to overall sustainable development (Mehtap, 2014). According to a UNICEF study done through a poll of youth aged 16-30 years, Jordanian youth have a different interpretation of the phrase, which means "leading businesses". According to (Assaad et al., 2021), 45% of survey respondents were unsure what this term meant. Individuals' creativity can be enhanced by educational systems, which give them with crucial skills and competencies that allow them to grasp market opportunities (Gurel et al., 2010). According to (Vaz-Curado & Mueller, 2019), unemployment promotes entrepreneurship, while the Schumpeter effect suggests a negative correlation between unemployment and entrepreneurship. However, research indicates that youth entrepreneurship programs are rarely helpful in raising employment rates (Sieverding, 2012). Jordan's labor market was distinguished by two characteristics: high unemployment and persistently low labor force participation (ILO, 2016). Studies and figures reveal that the Small and Medium Enterprises (SMEs) sector is continuously

developing in all nations throughout the world and is providing an effective contribution to the national economy, along with the government sector and significant initiatives in the private sector (OECD, 2016). In Jordan, young people have a good attitude toward entrepreneurship, with over 48% expressing a desire to establish their own firm and project within five years (Omet et al., 2015). In Jordan, entrepreneurship activities among young people revealed that almost half of them failed to get their firms up and operating (Mehtap, 2014). Due to a lack of experience and a low survival rate, some new enterprises are forced to dissolve in a short period of time, limiting unemployment reduction (Vaz-Curado & Mueller, 2019). Policies and programs contribute to fostering youth entrepreneurship as a solution to young unemployment, prompting us to reconsider various ways to the provided significant obstacles and investigate the causes for the high failure rates among youth companies (Omet et al., 2015).

9. Conclusion

According to research, entrepreneurship programs should reconsider which life stages to target for entrepreneurial promotion. Although policies and programs should not necessarily push young people to start their own businesses, they should provide them with accurate information and realistic expectations regarding entrepreneurship. Programs should promote potential entrepreneurs who are older and more experienced, as this will help develop longer-term initiatives and, as a result, create jobs for young people. Predicting the success of future enterprises is extremely difficult, making it impossible to target certain entrepreneurs based on their likelihood of creating job opportunities. This emphasizes the significance of developing a comprehensive and supportive entrepreneurship framework that assists in the establishment of large-scale businesses. Programs should help micro, small, and medium-sized businesses expand and succeed in order to create job opportunities. Government programs for entrepreneurs require significant improvements. Entrepreneurship initiatives alone can do little to boost youth job opportunities. Education does not place enough emphasis on the virtues of entrepreneurial concepts such as individuality, risk-taking, and the development of independent career pathways. Entrepreneurship education necessitates a serious educational strategy in which Jordanian schools and universities take serious steps to develop entrepreneurial values as well as social and economic principles of society and the market, emphasizing the importance of individuals establishing independent businesses.

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